

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 SSO-00 CIAE-00 DODE-00 NSAE-00
NSCE-00 USIE-00 INRE-00 PM-05 H-01 INR-07 L-03
PA-01 PRS-01 SP-02 SS-15 A-01 OPR-02 SY-05 MCT-01
EB-08 COME-00 TRSE-00 AID-05 PC-01 SIL-01 LAB-04
ACDA-12 /090 W

-----125392 242302Z /75

O 242221Z JAN 78

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC IMMEDIATE 5473

INFO AMEMBASSY TEGUCIGALPA IMMEDIATE

AMEMBASSY GUATEMALA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

C O N F I D E N T I A L MANAGUA 0340

TEGUCIGALPA FOR ASST. SEC TODMAN

E.O. GDS

TAGS: ELAB, PINT, NU

SUBJECT: CLOSURE OF BUSINESSES CONTINUES

REF: MANAGUA 0305

1. CLOSING OF FIRMS WHICH BEGAN YESTERDAY, 1/23, PICKED UP
MOMENTUM TODAY. SHUT DOWN OF FIRMS WAS REPORTEDLY MOST COMPLETE IN
LEON, EXTENDING EVEN TO NEARBY COTTON GINS. IN MANAGUA, MOST NORTH
HIGHWAY INDUSTRIES WERE CLOSED TODAY AS WERE MOST OF THE LARGER
AND MEDIUM-SIZED STORES THROUGHOUT THE CITY. SOMOZA-CONNECTED ENTER-
PRISES, SMALL TIENDAS AND STREET-SIDE VENDORS AS WELL AS SOME
LARGER CONCERNS AND BANKS REMAINED OPEN.

2. ACCORDING TO VARIOUS SOURCES, A KEY TO THE SUCCESS OF THIS
BUSINESS SHUT DOWN WAS THE DECISION YESTERDAY OF CASA PELLAS, A
MAJOR RETAILER OWNED BY THE ALFREDO PELLAS FAMILY, TO BE AMONG THE
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FIRST TO SHUT THEIR DOORS. (COMMENT: ALFREDO PELLAS IS LEADER OF ONE
OF NICARAGUA'S EALTHIEST FAMILIES AND A MAIN FINANCIAL BACKER OF
THE CONSERVATIVE PARTY. WE HAVE HAD UNCONFIRMED REPORTS THAT HE IS
GIVING FINANCIAL SUPPORT TO UDEL IN ITS CALL FOR A NATIONWIDE STRIKE
AS A MEANS OF PRESSURING THE GON.)

3. THE CHAMBERS OF COMMERCE, INDUSTRY, CONSTRUCTION AND INDE ARE

MEETING THIS AFTERNOON TO DISCUSS WHAT STEPS THESE ORGANIZATIONS SHOULD TAKE REGARDING THE BUSINESS CLOSURES AND WHETHER THEY WILL ADD THEIR WEIGHT TO THE PRESSURES BEING BROUGHT TO BEAR ON THE SOMOZA REGIME. (COMMENT: WE EXPECT THEM TO TAKE A LESS THAN CLEAR-CUT STAND ON BOTH ISSUES.)

4. ONE PROMINENT PRIVATE SECTOR LEADER TOLD EMBOFF TODAY THAT, ALTHOUGH HE WAS URPRISED BY THE SUCCESS THAT THE BUSINESS CLOSE-DOWN HAS ACHIEVED SO FAR, HE IS DOUBTFUL IT ALONE WILL PRODUCE ANYTHI G USEFUL IN THE WAY OF CONSTRUCTIVE CHANGES IN GON OR EVEN REGARDING INVESTIGATION OF THE P.J. CHAMORRO ASSASSINATION. SOURCE EXPLAINED THAT MAIN PROBLEM, IN HIS VIEW, IS THAT OPPOSITION TO SOMOZAS IS STILL LEADERLESS AND THEREFORE DIRECTIONLESS. HE SAID THAT HE HAS HELD NUMEROUS MEETINGS RECENTLY WITH KEY PRIVATE SECTOR ELEMENTS TO SEE WHETHER ANYONE COULD BE FOUND AROUND WHOM TO RALLY. AMONG THOSE CONSIDERED WERE ERNESTO FERNANDEZ HOLLMAN, EXEC. DIR. OF THE BANCO DE AMERICA WHICH BELONGS TO THE PELLAS GROUP; DR. ENNESTO CRUZ, DIRECTOR OF INCAE (A GRADUATE SCHOOL OF BUSINESS AND PUBLIC ADMINISTRATION); RAMIRO SACASA, AN UDEL LEADER; AND ALFONSO ROBELO, HEAD OF INDE. SOURCE INDICATED THAT HE BELIEVES ONLY ROBELO MIGHT BE WILLING TO TAKE THE RISK AND MAKE THE CONCENTRATED EFFORT NECESSARY TO PRVIDE EFFECTIVE LEADERSHIP. HE ADDED THAT HE IS URGING ROBELO TO TAKE UP THE CHALLENGE AND GIVE THE OPPOSITION THELEADERSHIP IT NEEDS. (COMMENT: COURCE AND VIEPOINT HE REPRESENTS WOULD PROBABLY BE SATISFIED WITH SOMOCISMO --SOMOZA-ISM-- WITHOUT SOMOZA AS AN INTERIM SOLUTION TO NICARAGUA'S POLITICAL WOES. HE IS THOROUGHLY DISGUSTED

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WITH THE WAY HE CLAIMS PRESIDENT SOMOZA HAS CORRUPTED THE JUDICIAL GOVERNMENTAL SYSTEMS OF THIS COUNTRY. HE IS FEARFUL OF LEFTIST-INSPIRED VIOLENCE AND DISORDER, ON THE ONE HAND, AND OF A GUARDIA NACIONAL COUP, ON THE OTHER, IF THE PRESENT SITUATION IN NICARAGUA CONTINUES EMBOFF TOLD SOURCE USG IS NOT TAKING SIDES IN THIS CONFLICT BUT HOPES THAT THE NICARAGUANS THEMSELVES CAN WORK OUT A CONSTITUTIONAL AND DEMOCRATIC SOLUTION TO THEIR PROBLEMS.

5. FROM VARIOUS SOURCES WE HAVE LEARNED THAT THE GON IS TRYING IN A HALF-HEARTED, UNCOORDINATEF FASHION TO BREAK THE STRIKE IT COMPELLED SOME STRUCK GAS STATIONS, FOR EXAMPLE, TO REOPEN. IT MAY ALSO BE PREPARING FOR THE WORSE. THE DEFENSE MINISTRY MADE A SURVEY OF POL STOCKS IN COUNTRY TODAY, PERHAPS OUT OF CONCERN THAT FUEL SUPPLIES MIGHT BE CUT OFF.

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